US-Japan Alliance Digest

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Image Source: AP News

Headlines:

- Trump announces 25% tariff in letter to Japan, Ishiba responds
- Quad ministers form critical minerals initiative amid China concerns
- Lockheed Martin delivers SPY-7 radar antennas to Japan MOD
- Allies bolster Indo-Pacific bonds through exercises and agreements
- Japan's Panasonic opens massive $4 bn EV battery plant in Kansas

Details:

- **On July 7, the Trump administration pledged 25% tariffs on all remaining Japanese imports to take effect Aug 1.** Previously tariffed goods include autos, steel, and aluminum. A letter written by Trump explained the tariff stating the US-Japan trade relationship is "far from Reciprocal" and the US "must move away" from its trade deficit with Japan. PM Ishiba called the tariff "truly regrettable," later saying Japan should become less dependent on the US. Opposition leaders echoed that call. Talks will continue to avoid the tariffs, and Ishiba might meet Treasury Sec. Bessent July 18.
- **Quad foreign ministers from Australia, India, Japan and US met July 1 to coordinate on foreign policy and announced creation of the "Quad Critical Minerals Initiative"** to "strengthen economic security and collective resilience" with a focus on diversifying critical mineral supply chains. The initiative notes concerns over Chinese domination of the critical minerals supply chain and refining capacity. The foreign policy leaders discussed other Indo-Pacific issues, such as the East China Sea/South China Sea, North Korea's ballistic missile technology, and the Myanmar crisis.
- **Lockheed Martin delivered its SPY-7 radar antennas to Japan's Ministry of Defense on July 7**. The delivery, facilitated by Mitsubishi, will be used on Japan's future Aegis System Equipped Vessel ready by 2028. Earlier, Lockheed and Japan's Fujitsu announced that Fujitsu will develop the radar's power supply line units. The cutting edge SPY-7, utilized by US allies Canada, Spain, and Japan helps warfighters detect, track and engage missile and aerial threats.
- **The US Air Force launched its largest Asia region-wide exercise Resolute Force Pacific (REFORPAC) on July 10 in collaboration with Japan** and other partners. The multi-dimensional command and control exercise involves 12,000 personnel, 50 locations, and 400 aircraft, including the largest to date participation by US Space Force. Separately, the US, Japan, and Australia signed a naval logistics agreement in Brisbane on July 11 ahead of exercise Talisman Sabre. In a first, the agreement allows forces to more easily support each other. The allies called for greater interoperability after Chinese live fire exercises in the Tasman Sea. Also, the US, Japan, South Korea convened the 22nd Trilateral Chiefs of Defense (Tri-CHOD) Meeting in Seoul on July 11. In a joint statement the allied chiefs reaffirmed cooperation on DPRK issues including its missile development and the Kim regime's support of Russia's war on Ukraine.
- **Panasonic's new battery manufacturing facility opened its doors in De Soto, Kansas on July 14**. The plant is the largest single investment by a company in Kansas' history and is expected to create 4,000 jobs. Initial projections of reaching full-scale production by 2027 are unlikely, following Trump's elimination of tax credits for EVs and falling Tesla sales. In a statement, Panasonic said, "we are accelerating the shift to electrification…This facility represents not only our commitment to the region but also a foundation for long-term collaboration and innovation in the US."

Dear Digest readers: My name is Erim Gulum, NEXT Program Officer and lead writer of our "Alliance Digest." As a lifelong world news follower, it's been a pleasure to bring you stories about the US-Japan alliance (large and small) since Jan. 2022. My heartfelt thanks to Jim Schoff for his guidance, support, and the opportunity to contribute to his NEXT brainchild and this unique bi-weekly news source. As I transition to a new national security-focused role outside Sasakawa USA, I want to thank you for your readership of developments in this cornerstone alliance.